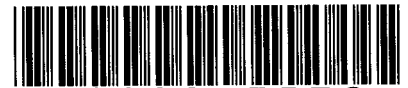


ORIGINAL



0000057532

Snell & Wilmer

LLP
LAW OFFICES

RECEIVED

RECEIVED

JUL 26 2006

ORANGE COUNTY

28 DE

PHOENIX

SALT LAKE CITY

TUCSON

One Arizona Center

Phoenix, AZ 85004-7000

602.382.6000

602.382.6070 (Fax)

www.swlaw.com

JUL 28 11:21

AZ CORP COMMISSION
DOCUMENT CONTROL

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

Jeffrey W. Crockett
jcrockett@swlaw.com

July 25, 2006

Arizona Corporation Commission
DOCKETED

JUL 28 2006

DOCKETED BY	nr
-------------	----

David M. Ronald, Esq.
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Perkins Mountain Water Co. Application for CC&N, Docket No. W-20380A-05-0490; Perkins Mountain Utility Co. Application for CC&N, Docket No. SW-20379A-05-0489

Dear David:

Enclosed is one copy of Perkins Mountain Water Company and Perkins Mountain Utility Company's responses to Staff's Second Set of Data Requests (JJD 2.1, JJD 2.2, JJD 2.3, JJD 2.4, JJD 2.5, and JJD 2.6) in the above-referenced dockets.

Please contact me at the direct line listed above if you have any questions or if you need further information or documents.

Very truly yours,

SNELL & WILMER


Jeffrey W. Crockett

JWC:bjw

cc: Jim J. Dorf, Utilities Division
Chris Stephens, Rhodes Homes
Mark Hall, Rhodes Homes

**PERKINS MOUNTAIN WATER COMPANY AND PERKINS MOUNTAIN
UTILITY COMPANY RESPONSES TO
ARIZONA CORPORATION COMMISSION STAFF'S
SECOND SET OF DATA REQUESTS IN
DOCKET NOS. W-20380A-05-0489 AND SW-20379A-05-0490
JULY 12, 2006**

JJD 2.1

In response to Staff Data Request BNC-1.11 ("provide a list of all of the affiliates of Rhodes Homes, LLC; Perkins Mountain Water Company; and Perkins Mountain Utility Company"), a listing of affiliates was provided and is summarized on the attached Exhibit A. In its response to Staff Data Request BNC 1.13 and BNC 1.25, the Company provided a Moody's press release on The Rhodes Companies, LLC and indicates that there are two co-borrowers, Heritage Land Company, LLC and Rhodes Ranch general Partnership. Please indicate as to whether these two entities are affiliated with The Rhodes Companies, LLC or other entities in which Mr. Rhodes has an ownership interest. Please provide the exact legal name of any and all other entities in which Mr. Rhodes is a direct or beneficial ownership interest if not already listed on the attached Exhibit A.

Response:

Heritage Land Company, LLC and Rhodes Ranch General Partnership are affiliated with The Rhodes Companies, LLC as depicted below.

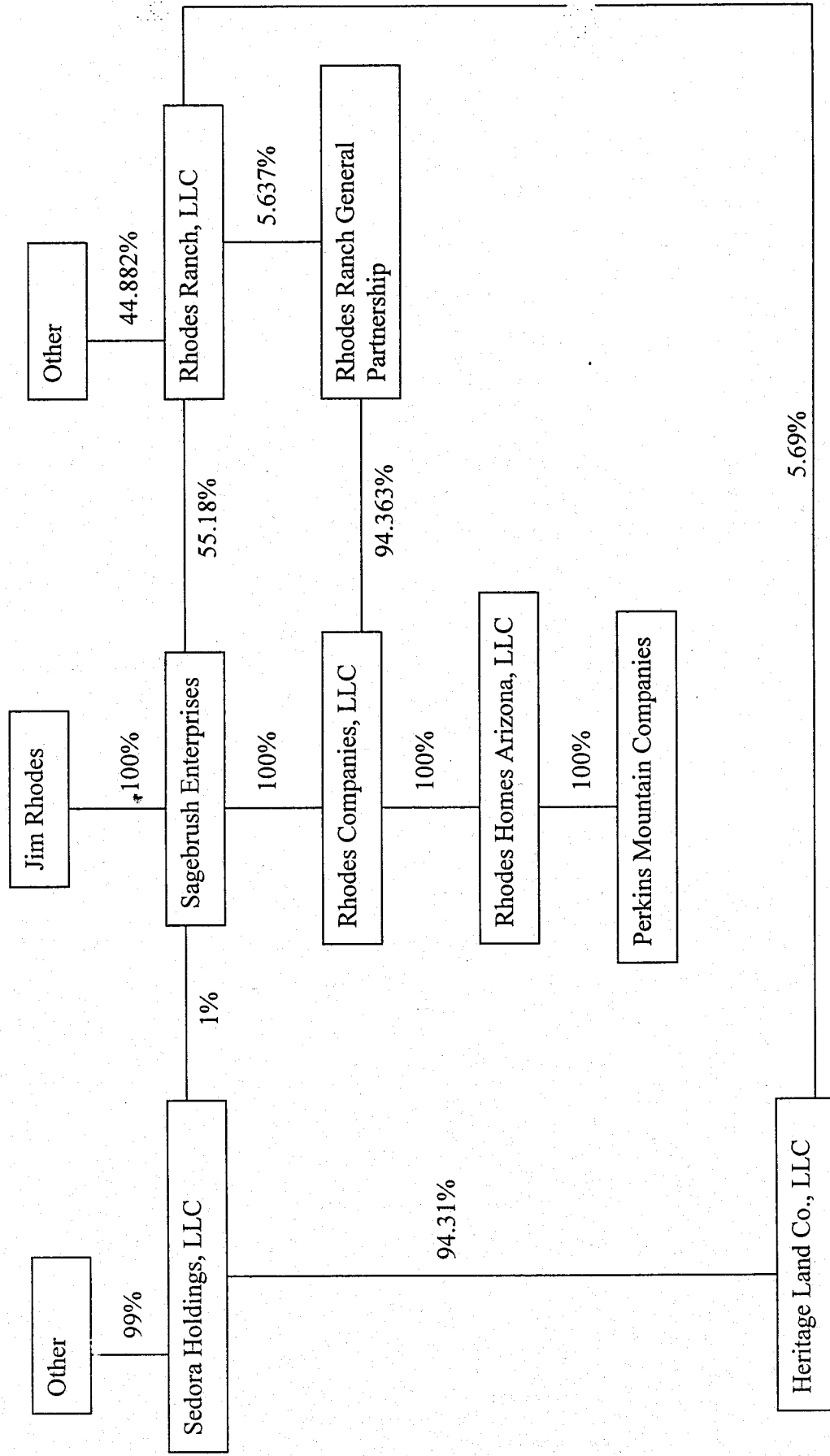
See Organizational Chart attached as Exhibit 1.

The Applicants object to the request for information regarding other entities in which Mr. Rhodes has a direct or beneficial ownership interest and incorporate by reference the objections set forth in the responses to data requests BNC 1.11 and BNC 1.22

Prepared by:

Mark E. Hall
Corporate Counsel
Rhodes Homes Arizona, LLC
313 S. Aztec Road
Golden Valley, AZ 86413

Organizational Chart of
Heritage Land Company, LLC and Rhodes Ranch General Partnership
Affiliation with The Rhodes Companies, LLC



**PERKINS MOUNTAIN WATER COMPANY AND PERKINS MOUNTAIN
UTILITY COMPANY RESPONSES TO
ARIZONA CORPORATION COMMISSION STAFF'S
SECOND SET OF DATA REQUESTS IN
DOCKET NOS. W-20380A-05-0489 AND SW-20379A-05-0490
JULY 12, 2006**

JJD 2.2. In the Company's response to Staff's Motion to Compel, the ownership of Perkins Mountain Water Company and Perkins Mountain Utility Company has been transferred to Rhodes Homes Arizona, LLC. Please confirm that Exhibit B attached accurately reflects the revised ownership structure.

Response: Exhibit B, Perkins Mountain Water Company Ownership Summary, prepared by Staff and attached to Staff's Second Set of Data Requests accurately reflects the revised ownership structure.

Prepared by: Mark E. Hall
Corporate Counsel
Rhodes Homes Arizona, LLC
313 S. Aztec Road
Golden Valley, AZ 86413

**PERKINS MOUNTAIN WATER COMPANY AND PERKINS MOUNTAIN
UTILITY COMPANY RESPONSES TO
ARIZONA CORPORATION COMMISSION STAFF'S
SECOND SET OF DATA REQUESTS IN
DOCKET NOS. W-20380A-05-0489 AND SW-20379A-05-0490
JULY 12, 2006**

JJD 2.3 Please provide any documents executed to support or effectuate the transfer of ownership to Rhodes Homes Arizona, LLC.

Response: See attached Stock Transfer Agreements from James Rhodes to Rhodes Homes Arizona and stock certificates of Perkins Mountain Utility Company and Perkins Mountain Water Company in the name of Rhodes Homes Arizona, LLC.

Prepared by: Mark E. Hall
Corporate Counsel
Rhodes Homes Arizona, LLC
313 S. Aztec Road
Golden Valley, AZ 86413

STOCK TRANSFER AGREEMENT

This Stock Transfer Agreement ("Agreement") is made as of this 3 day of July, 2006, by and among James M. Rhodes ("Rhodes"), and Rhodes Homes Arizona, LLC ("Rhodes Homes").

1.

RECITALS

(a) Shareholder Status. Rhodes is a shareholder in Perkins Mountain Utility Company, a Nevada corporation ("Company"), holding One Thousand (1,000) shares in the Company, as set forth in stock certificate no. 1 of the Company (the "Shares").

(b) Transfer to Rhodes Homes. Rhodes wishes to transfer the Shares to Rhodes Homes.

Now, therefore, in consideration of the recitals above and of the mutual agreements set forth below, the parties agree as follows:

2.

AGREEMENT

(a) Transfer. Rhodes agrees to transfer the Shares to Rhodes Homes, and Rhodes Homes agrees to assume the Shares, as of the date of this Agreement. Rhodes shall execute and deliver a stock power in the form of Exhibit "A" in order to effectuate the transfer, as well as such other instruments as may be required.

(b) Consideration. The consideration payable to Rhodes for the Stock shall be One Dollar and Zero Cents (\$1.00).

(c) Stock Certificate. Rhodes Homes shall bear a legend which refers to restrictions on transferability of the stock in accordance with the terms of the Shareholders' Agreement and with applicable law.

3.

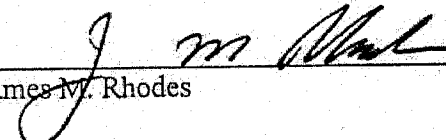
MISCELLANEOUS

(a) Entire Agreement. This Agreement, including the Exhibits hereto, constitutes all of the agreements among the parties as to its subject matter and supersedes any prior written or oral agreements among the parties with respect to the subject matter hereof.

(b) Applicable Law. This Agreement shall be interpreted in accordance with Nevada law.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first written above.

RHODES:


James M. Rhodes

RHODES HOMES:

RHODES HOMES ARIZONA, LLC,
an Arizona limited liability company

By: *The Rhodes Companies, LLC,*
a Nevada limited liability company

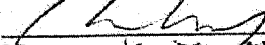
By: 
Name: Keith Mosley
Title: Secretary

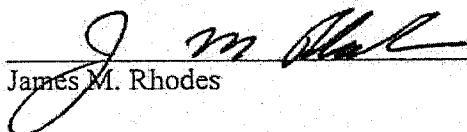
EXHIBIT A

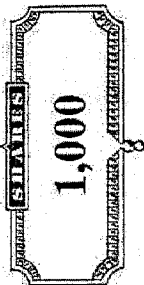
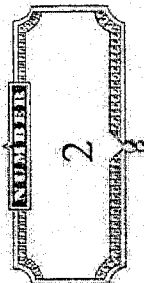
SEPARATE STOCK POWER

FOR VALUE RECEIVED, the undersigned (the "Grantor") hereby sells, assigns, and transfers to Rhodes Homes Arizona, LLC (the "Assignee") all of his shares now or hereafter owned by Grantor, whether common, preferred, or other classes of shares (the "Shares"), in Perkins Mountain Utility Company, a Nevada corporation.

The undersigned does hereby irrevocably constitute and appoint Keith Mosley as Grantor's attorney in fact to transfer the Shares on the books of each of the Entities, with full power and substitution in the premises.

DATED this 3rd of July, 2006.


James M. Rhodes



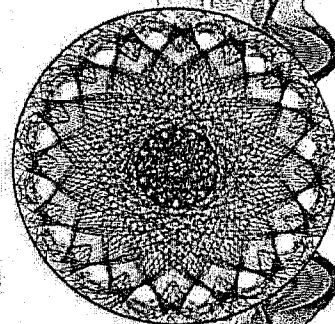
PERKINS MOUNTAIN UTILITY COMPANY

This Corporation is authorized to issue 100,000 Common Shares at \$1.00 Par Value

THIS CERTIFIES THAT **RHODES HOMES ARIZONA, LLC** is the owner of
One Thousand (1,000) _____ fully paid and nonassessable
shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or
by duly authorized attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized
officers and its Corporate Seal to be hereunto affixed this 3 day of July A.D. 2006


President




Secretary/Treasurer

*For Value Received, _____ hereby sell, assign and transfer
unto _____*

*_____ Shares
represented by the within Certificate, and do hereby irrevocably
constitute and appoint*

*_____ Attorney
to transfer the said Shares on the books of the within named
Corporation with full power of substitution in the premises.*

Dated _____

In presence of

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT
MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE
FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT
ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

STOCK TRANSFER AGREEMENT

This Stock Transfer Agreement ("Agreement") is made as of this 3rd day of July, 2006, by and among James M. Rhodes ("Rhodes"), and Rhodes Homes Arizona, LLC ("Rhodes Homes").

1.

RECITALS

(a) Shareholder Status. Rhodes is a shareholder in Perkins Mountain Water Company, a Nevada corporation ("Company"), holding One Thousand (1,000) shares in the Company, as set forth in stock certificate no. 1 of the Company (the "Shares").

(b) Transfer to Rhodes Homes. Rhodes wishes to transfer the Shares to Rhodes Homes.

Now, therefore, in consideration of the recitals above and of the mutual agreements set forth below, the parties agree as follows:

2.

AGREEMENT

(a) Transfer. Rhodes agrees to transfer the Shares to Rhodes Homes, and Rhodes Homes agrees to assume the Shares, as of the date of this Agreement. Rhodes shall execute and deliver a stock power in the form of Exhibit "A" in order to effectuate the transfer, as well as such other instruments as may be required.

(b) Consideration. The consideration payable to Rhodes for the Stock shall be One Dollar and Zero Cents (\$1.00).

(c) Stock Certificate. Rhodes Homes shall bear a legend which refers to restrictions on transferability of the stock in accordance with the terms of the Shareholders' Agreement and with applicable law.

3.

MISCELLANEOUS

(a) Entire Agreement. This Agreement, including the Exhibits hereto, constitutes all of the agreements among the parties as to its subject matter and supersedes any prior written or oral agreements among the parties with respect to the subject matter hereof.

(b) Applicable Law. This Agreement shall be interpreted in accordance with Nevada law.

RHODES:

RHODES HOMES:

By: The Rhodes Companies, LLC, a
Nevada limited liability company

By: [Signature]
Name: Keith Mosley
Title: Secretary

EXHIBIT A

SEPARATE STOCK POWER

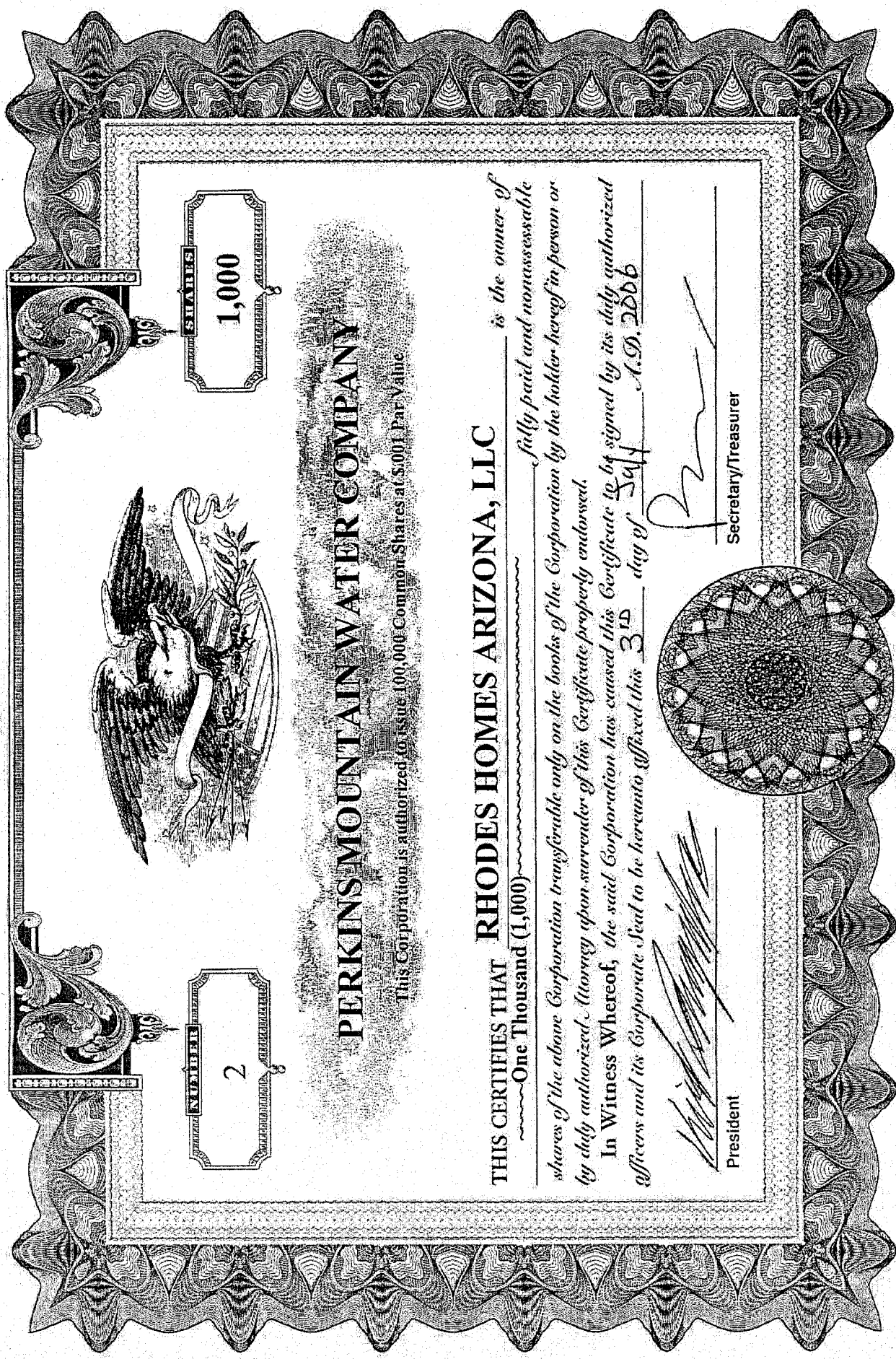
FOR VALUE RECEIVED, the undersigned (the "Grantor") hereby sells, assigns, and transfers to Rhodes Homes Arizona, LLC (the "Assignee") all of his shares now or hereafter owned by Grantor, whether common, preferred, or other classes of shares (the "Shares"), in Perkins Mountain Water Company, a Nevada corporation.

The undersigned does hereby irrevocably constitute and appoint Keith Mosley as Grantor's attorney in fact to transfer the Shares on the books of each of the Entities, with full power and substitution in the premises.

DATED this 3rd of July, 2006.



James M. Rhodes



CERTIFICATE NUMBER
2

CERTIFICATE SHARES
1,000

PERKINS MOUNTAIN WATER COMPANY

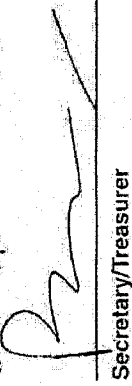
This Corporation is authorized to issue 100,000 Common Shares at \$0.01 Par Value

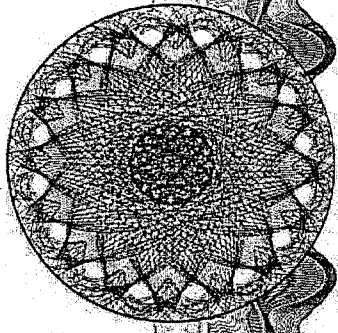
THIS CERTIFIES THAT RHODES HOMES ARIZONA, LLC is the owner of
One Thousand (1,000) fully paid and nonassessable

shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or
by duly authorized attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized
officers and its Corporate Seal to be hereunto affixed this 3RD day of July A.D. 2006


President


Secretary/Treasurer



*For Value Received, _____ hereby sell, assign and transfer
unto _____*

*_____ Shares
represented by the within Certificate, and do hereby irrevocably
constitute and appoint*

*_____ Attorney
to transfer the said Shares on the books of the within named
Corporation with full power of substitution in the premises.*

Dated _____

In presence of

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT
MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE
FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT
ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

**PERKINS MOUNTAIN WATER COMPANY AND PERKINS MOUNTAIN
UTILITY COMPANY RESPONSES TO
ARIZONA CORPORATION COMMISSION STAFF'S
SECOND SET OF DATA REQUESTS IN
DOCKET NOS. W-20380A-05-0489 AND SW-20379A-05-0490
JULY 12, 2006**

JJD 2.4 Please provide any financial or presentation information utilized in securing the Moody's credit rating.

Response: Applicants object to this request because the information requested is confidential, competitively sensitive, proprietary to The Rhodes Companies, LLC ("Rhodes") and its affiliates, and not reasonably calculated to lead to the discovery of admissible evidence. The release of this information to the public would subject Rhodes to severe economic harm due to strong competition among developers in the markets where Rhodes is developing. Rhodes' competitors would have a considerable competitive advantage if information regarding income, fixed and variable costs were to be disclosed as a public record.

Prepared by: Mark E. Hall
 Corporate Counsel
 Rhodes Homes Arizona, LLC
 313 S. Aztec Road
 Golden Valley, AZ 86413

**PERKINS MOUNTAIN WATER COMPANY AND PERKINS MOUNTAIN
UTILITY COMPANY RESPONSES TO
ARIZONA CORPORATION COMMISSION STAFF'S
SECOND SET OF DATA REQUESTS IN
DOCKET NOS. W-20380A-05-0489 AND SW-20379A-05-0490
JULY 12, 2006**

JJD 2.5 Will the revised ownership structure have any effect on the Moody's credit rating?

Response: No, the revised ownership structure will not have any effect on the Moody's credit rating.

Prepared by: Mark E. Hall
Corporate Counsel
Rhodes Homes Arizona, LLC
313 S. Aztec Road
Golden Valley, AZ 86413

**PERKINS MOUNTAIN WATER COMPANY AND PERKINS MOUNTAIN
UTILITY COMPANY RESPONSES TO
ARIZONA CORPORATION COMMISSION STAFF'S
SECOND SET OF DATA REQUESTS IN
DOCKET NOS. W-20380A-05-0489 AND SW-20379A-05-0490
JULY 12, 2006**

JJD 2.6

Please provide the most recently available financial statements for Rhodes Homes Arizona, LLC and The Rhodes Companies, LLC.

Response:

Applicants object to this request to The Rhodes Companies, LLC because the information requested is confidential, competitively sensitive, proprietary to The Rhodes Companies and its affiliates, and not reasonably calculated to lead to the discovery of admissible evidence.

The release of Rhodes Homes Arizona, LLC information to the public would subject Rhodes Homes Arizona to severe economic harm due to strong competition among developers in Mohave County. Rhodes Homes Arizona's competitors would have a considerable competitive advantage if information regarding income, fixed and variable costs were to be disclosed as a public record. Rhodes Homes Arizona is willing to allow the Applicants to disclose the financial statements of Rhodes Homes Arizona under a protective order issued by the Hearing Division. The Applicants will be filing a Motion for a Protective Order as a condition to providing the financial statements for Rhodes Home Arizona, LLC.

Prepared by:

Mark E. Hall
Corporate Counsel
Rhodes Homes Arizona, LLC
313 S. Aztec Road
Golden Valley, AZ 86413